

Treasury Inspector General for Tax Administration  
Office of Inspections and Evaluations  
Fiscal Year 2015 Program Plan



October 2014

## **TIGTA's Vision**

*To maintain a highly skilled proactive and diverse Inspector General organization with a record of protecting and promoting fair tax administration.*

## **TIGTA's Mission**

*Provide integrated audit and investigative, and inspection and evaluation services that promote economy, efficiency and integrity in the administration of the internal revenue laws.*

## **TIGTA's Core Values**

***Integrity*** - Maintain the highest professional standards of independence, objectivity and operational excellence in pursuit of TIGTA's mission.

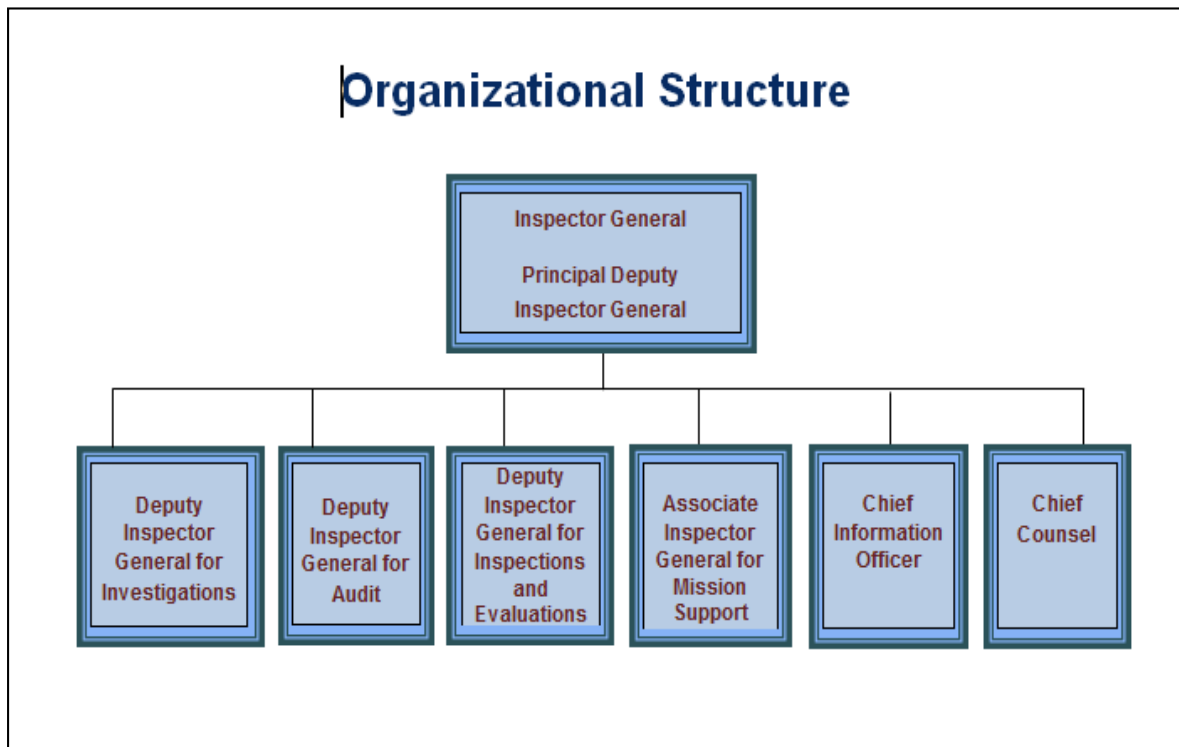
***Organizational Innovation*** - Model advanced practices in organizational structure, audit, investigative, and inspection and evaluation methodology through adoption of cutting edge information technology.

***Value Employees*** - Respect employees' dignity, contributions, work-life balance, and recognize diversity as fundamental to the strength of our organization.

***Commitment to Community*** - Establish and maintain collaborative and professional relationships with other government and non-governmental stakeholders.

## Overview

The Treasury Inspector General for Tax Administration (TIGTA) provides independent oversight of the Department of the Treasury matters involving Internal Revenue Service (IRS) activities, the IRS Oversight Board, and the IRS Office of Chief Counsel. Although TIGTA is placed organizationally within the Department of the Treasury and reports to the Secretary of the Treasury and to Congress, TIGTA functions independently from all other offices and bureaus within the Department.



## Office of Inspections and Evaluations

TIGTA's Office of Inspections and Evaluations (I&E) provides a range of specialized services and products, including quick response reviews, on-site office inspections, and more detailed evaluations.

I&E's senior executive and staff engage in an ongoing process to assess the emerging issues likely to affect tax administration. This involves discussions with IRS executives, members of Congress and their staffs, and periodic meetings with the IRS Oversight Board, and Department of the Treasury staff. Additionally, I&E staff coordinate their planned activities with TIGTA's Office of Audit, and Office of Investigations (OI). Because I&E responds to emerging IRS issues, this Program Plan is subject to change.

**If the Deputy Inspector General I&E determines there is a need to respond to priority emerging issues, some of the projects listed may be deferred to a later date or dropped.**

## Carried Over Reviews of IRS:

### **Evaluation of the IRS's Information Resources Accessibility Program (IRAP)**

The Rehabilitation Act of 1973<sup>1</sup> prohibits employment discrimination against persons with disabilities within the Federal sector, and Section 508 of the Act requires that Federal agencies make their electronic and information technology accessible to employees with disabilities. The 508 Program Office helps IRS employees understand and meet their Section 508 responsibilities; and, the 508 Customer Support Office selects, purchases, and supports assistive technology for employees with disabilities. The objective of this evaluation is to determine if the IRAP Office is able to timely meet the needs of IRS employees with certain disabilities. (IE-14-006)

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### **The Status of Implementing the Goals of the Restructuring and Reform Act of 1998 (RRA 98)**

The overall objective is to determine whether the goals of the IRS RRA 98<sup>2</sup> were achieved 15 years after implementation. We will assess whether the IRS has changed to a more balanced organization that serves taxpayers; modernized itself through organizational structure; and established measures to evaluate progress towards achieving the goals and mandates included in the law. (IE-14-014)

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### **Employer Trust Fund Fraud Detection**

The overall objective is to determine (1) the size and scope of employer embezzlement of trust fund taxes; (2) identify any roadblocks preventing the IRS from identifying employer embezzlement of trust fund taxes with the data resources available; (3) estimate the potential costs of remedying such problems; and, (4) the expected returns that could result from such a strategy. (IE-14-032)

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### **Compendium of Unimplemented Recommendations**

The Compendium provides additional information to fulfill the requirements of the Inspector General Act of 1978 (Pub. L. No. 95-452), as amended, to prepare semiannual reports summarizing the activities of TIGTA that include an identification of each significant recommendation on which corrective action has not been completed. (IE-14-033)

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<sup>1</sup> Pub. L. No. 93-112, 87 Stat. 355 (codified as amended in scattered sections of the U.S. Code).

<sup>2</sup> Internal Revenue Service Restructuring and Reform Act of 1998 (RRA 98), Pub. L. No. 105-206, 112 Stat. 685 (codified as amended in scattered sections of 2 U.S.C., 5 U.S.C. app., 16 U.S.C., 19 U.S.C., 22 U.S.C., 23 U.S.C., 26 U.S.C., 31 U.S.C., 38 U.S.C., and 49 U.S.C.).



## Carried Over Reviews of TIGTA:

### **Imprest Funds**

Investigative imprest funds can only be used for confidential expenditures, fees charged by financial institutions for maintaining the imprest checking account, or fees for cashier's checks or money orders. The investigative imprest fund may not be used for normal operating expenditures such as subscriptions, office supplies, photocopies, postage, *etc.* Within the TIGTA OI, each field division and the Headquarters Electronic Crimes and Intelligence Division maintain an imprest fund. I&E partners with the OI to ensure each fund is reviewed annually. Additionally, I&E will review four divisions and OI's Internal Review team will review four divisions annually. The divisions reviewed every year are alternated so that each fund is reviewed by a different team every year. Reviews in process in Fiscal Year (FY) 2014 and carried over into FY 2015:

- New York Field Division (IE-14-026)
  - San Francisco Field Division (IE-14-027)
  - Electronic Crimes and Intelligence Division (IE-14-028)
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## New starts IRS:

### **Non-Executive Travel**

The overall objective of data analysis will be to assess the costs and frequency of non-executive employees' travel in each of the IRS's business units. We will attempt to determine travel trends by business unit and by job series within business units. We will also attempt to discern any other trends the data may hold. (IE-15-001)

Start: First Quarter

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### **IRS Criminal Investigation (CI) Special Agent Medical Requirements**

The Office of Personnel Management has established medical standards and physical requirements for certain Governmentwide positions which must be met in order for the applicant/incumbent to successfully and safely perform the duties of the position. In some instances the authority to establish the medical requirements for a position has been delegated to an agency. Special agents within the IRS CI are required to meet the standards developed for GS-1811 Department of the Treasury enforcement agents promulgated by the Department of the Treasury. The objective of this inspection is to determine if the IRS has established procedures to ensure its GS-1811 special agents meet the medical requirements and physical requirements for the GS-1811 position. (IE-15-002)

Start: First Quarter

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## **IRS Equal Employment Opportunity (EEO) Complaint Settlements**

The objective of this evaluation is to analyze IRS EEO complaint and settlement trends to determine if any one division or business unit is outside the IRS norm. For any that appear to be outside the norm, review the documentation available to determine any factor(s) that might account for the number of cases reported with a particular emphasis on any cases processed through the Merit Systems Protection Board or court action in which the IRS's position was not sustained. (IE-15-003)

Start: First Quarter

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## **Taxpayer Assistance Centers (TACs) Inspection**

TACs provide taxpayers face-to-face assistance. The IRS has about 390 TACs in which employees work with taxpayers to resolve tax issues, answer tax law questions, make adjustments to tax accounts, accept completed tax returns and payments, establish payment agreement for qualified individuals who cannot pay in full, and provide various tax forms and publications. In 2013 (January 1 through April 30), TAC employees had slightly more than 2.6 million taxpayer contacts. The objective of this inspection will be to determine whether the TACs are professional, organized, and properly staffed and stocked as per the standards established by the IRS's Wage and Investment - Field Assistance Office staff. (IE-15-004)

Start: First Quarter

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## **IRS Veteran Employment Program Office**

Veterans accounted for 9.7 percent of the total Department of the Treasury employee population in FY 2011. Of the 195,000 total Federal Government hires in FY 2012, about 28.9 percent were veterans. The objective of this review will be to evaluate the accomplishments of IRS's Veteran Employment Program Office and its compliance with related Executive Orders, and Federal Government policies and related programs. (IE-15-005)

Start: First Quarter

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## **IRS Compliance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994**

USERRA<sup>3</sup> protects the employment and reemployment rights of Federal and non-Federal employees when they leave their employment to perform military or other uniformed service and return to civilian employment after service. In general, the protected person is entitled to reemployment with the same status, seniority, and rate of pay as if continuously employed during the period of service. Additionally, Congress believes the Government should be a model employer in carrying out the USERRA provisions. The objective of this review is to inspect IRS policies and programs to determine if they are in compliance with the Act. (IE-15-006)

Start: Second Quarter

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<sup>3</sup> Pub. L. No. 103-353, 108 Stat. 3149, (codified as amended in scattered sections of 5, 10, 28, and 38 U.S.C.).

### **Chief Counsel Private Letter Ruling Timeliness**

This inspection will determine if the corrective actions proposed by the Office of Chief Counsel in response to TIGTA Audit Report, *Chief Counsel Can Take Actions to Improve the Timeliness of Private Letter Rulings and Potentially Reduce the Number Issued* (Reference Number: 2010-10-106, September 2011), have been effective. Specifically, determine if any of the private letter ruling inventory exceeds the six month (180 day) standard that was to have been implemented effective January 2010; and for any that are over 180 days determine if the appropriate Deputy Associate Chief Counsel (or higher) approved the extension. (IE-15-007)

Start: Second Quarter

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### **IRS Budget Performance**

The IRS budget is allocated through four different accounts: Taxpayer Service, Enforcement, Operations Support, and Business Systems Modernization. This evaluation will determine if the IRS was able to meet all of its FY 2014 Taxpayer Service performance goals. Additionally, the review will determine if all the FY 2014 funds allocated for Taxpayer Service were used or were augmented from any of the other three IRS accounts. (IE-15-008)

Start: Third Quarter

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### **IRS Employee Future and Post Employment Restrictions**

The Department of the Treasury Ethics Handbook lists specific restrictions and expectations that Department of the Treasury employees must adhere to when seeking and negotiating future employment; as well as specific post-employment restrictions employees are required to abide by once their employment within the Department of the Treasury has ended. This inspection will determine what controls the IRS has implemented to ensure that IRS employees comply with the Department of the Treasury future and post-employment restrictions. (IE-15-009)

Start: Third Quarter

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### **Follow-up review of IRS Occupational Safety**

The *Occupational Safety and Health Act*<sup>4</sup> requires the head of each agency to “provide safe and healthful places and conditions of employment.” The IRS’s occupational safety and health program includes policies and guidelines, program evaluations, and systems designed to report and document injuries and illnesses, and track hazards in the workplace. This inspection will determine if the corrective actions proposed by the IRS to TIGTA’s report, *Additional Oversight Could Improve the Occupational Safety and Health Program* (Reference Number: 2011-IE-R002, March 2011), have been effective. In response to that report, the IRS proposed to increase management oversight to ensure that safety inspections are completed timely and effectively, and to implement a management information system that would allow for the effective collection and analysis of safety inspections data. (IE-15-010)

Start: Third Quarter

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<sup>4</sup> Occupational Safety and Health Act of 1970, Pub. L. No. 91-596.

## **Effectiveness of the Abusive Tax Avoidance Transactions (ATAT) Control Strategies**

A comprehensive review looking at the tax administration structures in place to identify, select and target ATAT/abusive tax shelters has not been conducted since shortly after the reorganization of the IRS in 1998. Opportunities may exist to eliminate duplication and streamline operations that would make the tax administration of ATAT/abusive tax shelters more effective and efficient. We will evaluate the effectiveness and efficiency of the IRS's tax administration strategy for addressing taxpayers and promoters involved with ATAT/abusive tax shelters. (IE-15-011)

Start: Third Quarter

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## **New Reviews of TIGTA:**

### **TIGTA Special Agent Medical Requirements**

The Office of Personnel Management has established medical standards and physical requirements for certain Governmentwide positions which must be met in order for the applicant/incumbent to successfully and safely perform the duties of the position. In some instances the authority to establish the medical requirements for a position has been delegated to an agency. Special agents within the TIGTA OI are required to meet the standards developed for GS-1811 Department of the Treasury enforcement agents promulgated by the Department of the Treasury. The objective of this inspection is to determine if TIGTA OI has established procedures to ensure its GS-1811 special agents meet the medical requirements and physical requirements for the GS-1811 position. (IE-15-012)

Start: Second Quarter

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### **Imprest Funds**

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- Atlanta Field Division (IE-15-013)
- Chicago Field Division (IE-15-014)
- Denver Field Division (IE-15-015)
- Washington Field Division (IE-15-016)

Start: Third Quarter

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### **TIGTA's Compliance with the Plain Writing Act**

An important goal of the Plain Writing Act of 2010<sup>5</sup> is that covered documents are clear, simple, meaningful, and jargon free. To achieve that goal, agencies are expected to accomplish a number of implementation milestones including but not limited to: designating a senior official for Plain Writing, providing plain-writing training to agency staff, creating a plain-writing section on the agency website, and issuing an annual report describing the agency's compliance with the Act. Our overall objective is to determine whether TIGTA is in compliance with the Act. (IE-15-017)

Start: Third Quarter

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<sup>5</sup> Pub. L. No. 111-274, 124 Stat. 2861.

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